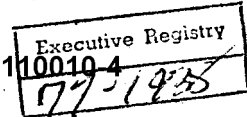




Approved For Release 2004/03/23 : CIA-RDP80M00165-001700110010-4

PRESIDENT'S REORGANIZATION PROJECT



WASHINGTON, D.C. 20503

FEDERAL PERSONNEL MANAGEMENT PROJECT
C/O U.S. CIVIL SERVICE COMMISSION
1900 E STREET, N.W.
WASHINGTON, D.C. 20415

PERS 77-2552

July 27, 1977

To: Heads of Departments and Agencies

The Personnel Management Project is a key portion of the President's Reorganization Project designed to make government more effective. The purpose of the Personnel Management Project is to study the basic laws, rules, regulations, and procedures in all phases of personnel management as well as the organization of the Government for personnel administration.

The Project will develop draft Option Papers on a number of subjects relating to Federal personnel management. Those papers will be sent out for review and comment as they are completed.

The first draft option paper is on the subject of an executive service, a copy of which is enclosed for your review and comment. A copy is also being sent to all personnel directors through the Interagency Advisory Group. Please send any comments to Dwight Ink, Executive Director, Personnel Management Project, in care of the U.S. Civil Service Commission, 1900 E. Street, N.W., Washington, D.C. 20415.

The comments should reach Mr. Ink by August 15 to be given full consideration in the Project. It would be very helpful if you could forward your informal preliminary reactions by August 8, in advance of any comments you make formally.

This review period is quite short because of our hope that we can move rapidly enough to recommend a course of action to the President and forward proposed legislation to Congress during this session.

BACKGROUND INFORMATION

The outcome of this study of the Personnel Management Project will affect a minority of Federal employees. These are, however, the managers and executives who have responsibility for managing Government programs, for delivering government services to the public, and for carrying out the policy directions of changing political leadership while maintaining the continuity of government. The personnel practices that relate to these employees have a great effect on the way government works and on the way people perceive that it works.

The basic issue underlying this paper is: What characteristics of an executive service would best enable the government to serve the needs of the people?

We do not now have a personnel system which enables able employees to compete effectively for higher managerial opportunities in other agencies. Further, when a career manager is willing to take the risks associated with a key leadership role, the employee now may be forced to leave government at the end of the assignment or with a change in the agency head since there are no rights of reversion to a lower level managerial position. At the same time, agency heads are often handicapped in assigning managerial people because of the rigidities of the current system. Moreover, the system is fragmented and inefficient.

NATURE OF THE OPTION PAPER

This paper describes alternative features that a comprehensive personnel system for executives could have and indicates some possible advantages and disadvantages of each choice identified. It describes some alternative models of complete systems and indicates some possible advantages and disadvantages of each. These models are included as illustrations of possible complete systems. The paper is not presenting them as definitive models of personnel systems for executives.

This Option Paper does not make recommendations regarding any of the options or models available. It only describes the options and some points to consider in choosing among them.

REVIEW OF THE OPTION PAPER

As you can see, this review of the draft Option Paper provides an opportunity to get a wide range of views on the issues and alternatives involved. The comments you and others make at this stage will help to shape the direction of the Task Force's continuing study of this subject.

In reviewing this draft, we suggest the following:

1. Focus the comments on:

- Adding viable options which may have been omitted.
- Indicating preferences for particular options, or for an option not included.
- Telling us what you think is undesirable or won't work.

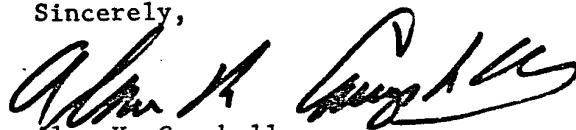
2. Get the views of all groups in your agency which would be directly affected by a new personnel system for executives. You will need to discuss the options with senior careerists (both managers and nonmanagerial professionals), with supergrades in Noncareer Executive Assignments, and with Executive Level appointees. It would also be desirable to get input from the field.
3. Prepare as detailed a report as possible on the viewpoints within your agency. We do not expect these viewpoints to represent agency consensus. On some issues, interests of top management and of career employees will coincide; on others they can be expected to diverge significantly. It is very important that differences of opinion not be submerged.

Do not feel constrained by the options outlined in the attached package. It is impossible to list all conceivable alternatives; if you or your colleagues can devise approaches other than those listed, the Task Force will welcome them.

The Task Force needs ideas in all the areas discussed in the Option Paper. The Task Force has asked that we give some special thought to the matter of incentives for better management - what kinds of benefits would help to attract, retain, and motivate top-quality managers for Government programs.

The Task Force will remain receptive to additional comments and suggestions. Thank you for your help in this important process of shaping this study of the Personnel Management Project.

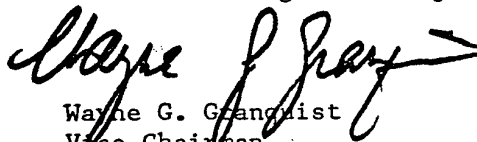
Sincerely,



Alan K. Campbell

Chairman

Personnel Management Project



Wayne G. Grandquist

Vice Chairman

Personnel Management Project

Enclosure

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Need for Executive Personnel System

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Over the 30-year period during which the existing system for managing executive personnel has evolved, a number of serious problems have manifested themselves. These problem areas are, in essence, the justification for a systems change. It follows, therefore, that any proposed new system should address, as a minimum, the majority of these problem areas.

Following is a list of problem areas expressed as objectives of a total personnel system for managers:

1. Make order out of the existing patch-work of authorities, exceptions, and levels.
2. Provide a workable system for equating authorized managerial strength with changing program needs.
3. Give agencies sufficient flexibility to assign, transfer and terminate managerial employees to best accomplish their missions, while at the same time providing adequate career security for employees.
4. Foster job mobility among managers to provide for development, renewal, as well as fresh and broadened perspectives.
5. Alleviate the abrasive interface between career and noncareer executives.
6. Provide for the effective continuity of government during changes of administration.
7. Make it possible for career managers to aspire realistically to positions of the highest responsibility.
8. Permit agency heads to appoint a sufficient but not excessive, number of noncareer managers to ensure that policy initiatives can be taken.
9. Improve the quality of management by providing incentives for excellence -- forge a strong link between performance and both compensation and tenure.
10. Provide a compensation and benefits package designed to conform to the special characteristics of managerial positions and to attract, reinforce and retain highly capable managers.
11. Insure that senior managerial positions are filled by exceptionally able individuals, at the same time giving top agency management increased authority over the qualifications of appointees.
12. Provide for systematic development of the managerial skills of talented employees so that, segments of the population which have often been overlooked will be given full opportunity to enter management positions.
13. Assure individual accountability for honest, economical and impartial administration.

Discussion of Options for a Personnel Management
System for Federal Executives

INTRODUCTION

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Over the past thirty years during which the existing system for managing senior executive personnel has evolved, a number of serious problems have appeared. While the basic issue might well be stated as: "Should there be a special executive service?", the many problems associated with the current arrangements suggest, overwhelmingly, the need for systems changes. Therefore, the following discussion of options assumes a "yes" answer and provides an initial framework for structuring a system.

The options outlined are not exhaustive and in many instances a modification of the option or combinations of options could readily be devised which would alleviate some of the problems associated with the option as stated. Please feel free to make such modifications in options whenever you feel it is desirable.

COVERAGE OF SYSTEM

Issue 1

What agencies and personnel systems should be covered in an executive service?

- Option A: All executive branch agencies and systems.
- Would provide a comprehensive, single system.
 - Could disrupt well-organized, long-standing personnel systems designed to meet special agency needs.
- Option B: Executive branch agencies and systems except such agencies as Central Intelligence Agency, Tennessee Valley Authority, and special services such as the Foreign Service.
- Would leave intact existing personnel systems for which it is claimed that there are special needs.
 - Would not provide for a totally comprehensive system of executive personnel management.

Issue 2

How should coverage of individuals in an executive service be defined?

- Option A: Include a specified range of grade levels.
- Would be simple to apply, easy to understand, and within any selected grade level or class of positions, comprehensive in coverage.
 - Would include a number of positions that are not policy-making, executive, or managerial in nature (individual workers or first-line supervisors).
- Option B: Designate positions for inclusion by nature of responsibility, e.g., managerial positions only.
- Would limit the service to those individuals responsible for administering government programs.
 - Would require in-out decision on each position.
 - Would exclude a number of supergrade positions, which now are subject to legislatively based controls.

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Issue 3

Regardless of whether decision on individual coverage is by grade level or nature of position, which of the existing classes of positions should be included?

Option A: Include only positions at the present supergrade (GS-16-18) level.

- Would be readily understandable and would affect a discrete group of employees already singled out for "special treatment."
- Would focus system changes on group of employees where agency head discretion is now limited.
- Would not include all "managerial" and policy making positions.

Option B: Include positions at present supergrade level plus some levels below, e.g., GS-14 and 15.

- Would provide for more complete coverage of managerial positions.
- Large numbers of GS-14's and 15's would make uniform application of executive service provisions cumbersome.
- Coverage of all GS-14 and 15 positions would mean including very large numbers of individual performers and first-line supergrades.

Option C: Include positions at present supergrade level plus positions at present Executive Levels I thru V.

- Would include most senior managerial positions.
- Would alleviate chronic problems associated with differences in managing supergrades versus Executive Level positions.
- Would require accommodation to special relationships Congress now has with most Executive Level positions, e.g., Senate confirmation.
- Many executive service provisions would be extremely difficult to apply to heads of major agencies.

Option D: Include positions at present supergrade level plus GS-14's and 15's plus Executive Levels I thru V.

- Would encompass all conceivable managerial positions in a single service.
- Would make uniform application of executive service provisions cumbersome due to large numbers and the different types of positions involved.

Option E: Have the service composed of a volunteer cadre of executives.

- Would have the support of affected employees.
- Would not provide a comprehensive system of personnel management.
- Would result in system inconsistencies due to individual preferences.

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Issue 4

If the service were limited to "managerial" positions, what types of positions should be considered managerial?

Option A: Include only those with responsibility for managing an organization.

- Coverage would be based on a uniform definition of "manager".
- Membership in service would be homogeneous in this respect.
- Individuals significantly involved in the management process would be excluded.

Option B: Include also individual performers and first-line supervisors (at appropriate grades) working in management areas (e.g., budget, personnel).

- Would include individuals who are significantly involved in the management process.
- No single definition of "manager" could be used.
- Some features of the service might not apply as well to this group as to managers, per se.

Option C: Include also special assistants to managers, who themselves do not manage an organization.

- Would include individuals who are significantly involved in the management process.
- No single definition of "manager" could be used.
- Some features of the service might not apply as well to this group as to managers, per se.

Issue 5

Should personal, executive, special, and secretarial assistants who do not themselves have significant responsibilities for managing an organization be included in the service?

Option A: Include them in the service at appropriate grade levels.

- Same considerations as Issue 4, Option C.

Option B: Place them in a special schedule which would replace present NEA and Schedule C for these positions.

- These positions as a group do not fit well in a managerial service.
- As a group these positions give significant support to top agency management and could, by extension, be viewed as part of management.

Issue 6

If such special assistants, etc. were to be placed in a separate schedule how should they be compensated?

Option A: Compensation should be based on the level of duties in accordance with the Classification Act.

- This is consonant with current practice.
- Since the duties of such positions are variable in the extreme, classification standards do not apply well to them.

Option B: Compensation should be set individually by the appointing authority within floor and ceiling limits.

- Permits the appointing authority to compensate individuals in proportion to their real value to him or her.
- Might be regarded as a way to reward individuals unduly for past political favors.

POSITION MANAGEMENT

Issue 7

What controls, if any, should there be on the number of senior executives?

Option A: Continue existing controls (quotas, special authorities).

- Existing controls are familiar and reflect Congressional concern for controlling absolute numbers.
- Would keep in place a system of controls which is only marginally related to the real program needs of agencies, and is not responsive to emergency requirements.
- The existing controls permit unbridled growth in some types of positions, which has been severely criticized by Congress.

Option B: Establish numbers based on some periodic determination of need, e.g., a zero-based review.

- Would provide flexible and responsive approach.
- Could prove unwieldy depending upon point of need determination, levels of review involved, and periodicity of review.

Option C: Have no controls on the number of executives.

- Would provide maximum flexibility to real or perceived needs of agencies.
- Would probably provoke Congressional opposition and could pose public relations and budget problems.

Issue 8

What distinction, if any, should be made between "career" and "noncareer" positions?

Option A: Maintain current distinction between career and noncareer positions.

- Would permit distinctions between unequivocally political positions and others which require long-term institutional memory.
- Would impose a dichotomy where experience suggests that gradation, rather than absolute differences exists. (Probably many existing positions could go either way).

Option B: Have no distinction between career and noncareer positions. Would eliminate arbitrary distinctions and provide greater flexibility in assignments.

- Would increase opportunities for career executives to undertake top-level responsibilities.
- Would limit ability to make distinctions between politically sensitive/confidential positions and others not viewed as such.

Option C: Include only career positions in the executive service.

- Would enhance system for many current career people.
- Would not provide for a totally comprehensive system of executive personnel management.
- Would restrict opportunities for career managers to aspire to positions of highest responsibility.

Option D: Place all executive service positions in noncareer category.

- Would maximize flexibility needed for changes in program and policy initiatives.
- Could be perceived as susceptible to political manipulation.
- Might be perceived by many present career employees as threatening.
- Likely to provoke Congressional opposition.

APPOINTMENT AND PLACEMENT

Issue 9

Should the executive service provide for both competitive and noncompetitive appointments?

Option A: Include both competitive and noncompetitive appointments.

- Would permit some appointments to be made on traditional "merit" grounds while allowing greater flexibility in others.
- Would require use of merit-based examining and selection procedures for some appointments.

Option B: Include only noncompetitive appointments.

- Would permit maximum flexibility for appointing (selecting) officials.
- Would probably provoke Congressional criticism and leave system open to charges of politicization.

Option C: Include only competitive appointments.

- Would greatly reduce the potential for charges of politicization.
- Would severely limit flexibility in appointments.

Issue 10

Assuming a mixture of career and noncareer employees, should there be controls on the numbers of noncareer employees?

Option A: Have no controls.

- Would provide maximum flexibility.
- Would probably incur Congressional opposition.

Option B: Have controls based on numerical relationship. (e.g., a percent of total managers).

- Would give an objective basis for establishing numbers.
- Would not take into account program needs.

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Option C: Have controls based on program need.

- Would allow for shift in ratio based on program changes.
- Would be difficult to determine, and could involve cumbersome review procedures.

Issue 11

Is the current ratio of noncareer to career executives optimum?

Option A: Retain existing noncareer/career ratio (about 11%)

- Has remained constant for a decade.
- Before that time noncareers comprised almost 20 percent of the executive population and some believe more noncareers are now necessary to effect policy initiatives.

Option B: Increase the proportion of noncareer executives (e.g., to @ 15%)

- Would make it easier for a new administration to effectuate new policies.
- Would be apt to arouse Congressional opposition.

Option C: Decrease the proportion of noncareer executives (e.g., to @ 8%)

- If management were given additional assignment and removal flexibilities, need for noncareer appointments might well diminish.
- Might adversely affect the ability of a new administration to launch policy initiatives.

Issue 12

Who should approve qualifications for initial entry into the executive service?

Background

At present, the qualifications of all employees appointed to GS 14 & 15 positions, career and noncareer, are approved by the employing agency; the qualifications of career and noncareer supergrades are approved by the CSC; and the qualifications of most Executive Level appointees are approved by the Senate. (In reviewing the options, you may wish to consider the appropriateness of adopting different options for different levels of positions).

Option A: Have qualifications approval by the Civil Service Commission.

- Would provide a consistent approach across the government.
- Would limit flexibility of agency heads and could contribute to delays in staffing.

Option B: Have qualifications approved by agencies.

- Would maximize flexibility of agency head and minimize delays.
- Would be contrary to existing legislative requirements for supergrades and Executive Levels and thus may arouse Congressional opposition.

Option C: Have qualifications approved by independent board.

- Would provide maximum impartiality and freedom from pressures.
- Would create an additional bureaucracy with likelihood of time delays.

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Option D: Have qualifications approved by Senate.

- Would preserve current Congressional prerogatives over most Executive Level positions.
- Would be impossible to apply uniformly if the service were composed of Executive Levels, supergrades, and GS-15's and 14's; would require differentiation by level of position.

Issue 13

Should qualifications requirements be applied to placements within the executive service, and, if so, how?

Option A: Have no qualifications requirements.

- Might be less necessary if managerial qualifications are validated upon entry to service.
- "Managerial" positions vary widely in their requirements; an individual might well be qualified for one managerial position and not for another.
- Would probably incur Congressional opposition to relinquishing its current controls over executive level positions.

Option B: Have qualifications requirements with approval of proposed appointee exercised by Civil Service Commission, or independent board, and/or Senate.

- Would ensure that individuals are qualified to exercise their responsibilities.
- If qualifications had already been approved by the CSC, etc. for entry into the Service, additional reviews would be time-consuming and to some extent redundant.

Option C: Have qualifications requirements with qualifications approval exercised by appointing agency.

- Would provide for qualifications review with maximum flexibility and minimum time.
- If there had been outside approval of qualifications for entry into the Service, there should be no loss of quality from this procedure.
- The Senate would be unlikely to give up its approval prerogatives over Executive Level positions.

Issue 14

Should career members of the executive service have special status and, if so, how should it be acquired?

Option A: Provide for no status within executive service.

- Would give maximum flexibility to agency heads in utilizing managerial personnel.
- Would not be attractive to most current career employees because of loss of competitive status.

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Option B: Acquire status automatically on entry into the Service.

- Would be attractive to employees.
- Could restrict flexibility.

Option C: Acquire status after 1-year executive service probationary period.

- Would give both employee and management opportunity to assess suitability of assignment to managerial duties.
- Employees could be expected to oppose because of added risk.

REMOVAL

Issue 15

What features should be included in an executive service to provide for removal from managerial positions? (In addition to removal for cause, for unsatisfactory performance, by reassignment, and abolishment of position)

Background

A general criticism of the existing system is that it is too difficult to remove incumbents when they are not functioning in a particular position in the way top management wishes.

There is very little room either for the executive or top management to maneuver or to adjust outcomes in accordance with the circumstances of individual cases. What may be needed is a system in which individuals can be removed from positions in a variety of ways but which provides a "parachute" for individuals who retain the potential to be valuable employees.

Option A: No special features.

- Would be consistent with existing practice.
- Would provide management with very little flexibility in removing employees.

Option B: Have all executives serve under renewable 3-year contracts.

- Would give management ability to remove employees at will when contracts expired.
- Attracted monumental opposition from employees and Congress because of no safeguard against capricious actions.

Option C: Have all executives serve at the pleasure of the appointing authority.

- Would give top agency management maximum removal flexibility.
- Would create maximum risk for employees and could be expected to evoke opposition.

Option D: Removal or reassignment for consistent mediocre performance.

- Would ensure managerial performance at a level above "just satisfactory".
- Would depend on establishing good system of performance evaluation.

- Option E: Permit each agency during the first year of a Presidential term to "select out" 3 executive service members or 5 percent of its executive service members (whichever is greater). These executives would be returned to a pool maintained by the CSC. The vacancies created would have to be filled from this pool.
- Would give new political management an opportunity to remove a small number of individuals who are incompatible with the views or style of the new administration.
 - Would preserve the career continuity of individuals removed.
 - Career executives would be likely to view this as arbitrary.

Issue 16

What kinds of actions should a career employee removed from his position or from the executive service be permitted to appeal?

- Option A: No appeal rights provided.
- Would give management maximum flexibility.
 - Would permit possible injustices.
 - Would incur employee opposition.
- Option B: Continue all existing appeal rights.
- Would be consistent with present practice and with practice in other services than the executive service.
 - Some existing appeal rights do not accord well with possible features of an executive service.
- Option C: Limit appeal rights for reduction in grade or rank.
- Would give management more flexibility in removing managerial employees who are not performing well.
 - Might be subject to abuse.

Issue 17

What special features should be provided to apply to career executives removed from the executive service?

- Option A: Guaranteed suitable job in non-executive service.
- Would return employees to level and kind of work in which they had previously been successful.
 - Would preserve the career continuity of individuals removed and reduce risk.
 - Any such "downgrading" inevitably would be traumatic.
 - Agencies would be required to find or make a suitable position for an employee removed from the executive service.
- Option B: Eligible employee subject to retirement at agency option.
- Would give management an option now only available to employee.
 - Would relieve agency of necessity to furnish suitable job to employee.
 - Would probably be opposed by employees.

- Option C: Employee could elect discontinued service retirement (possibly present years of service requirements could be lowered).
- Would relieve agency of necessity to furnish suitable job to employee.
 - Might result in premature loss to government of useful talent.
 - Costs to retirement fund might be excessive if service requirements are reduced.

- Option D: No special features other than fallback at agency option.
- Would give agency maximum flexibility in use of personnel.
 - Could result in loss to government of some valuable employees.
 - Would probably be unpalatable to employees.

Issue 18

What salary protection should be available for an employee removed from a position or from the executive service, but not from the Government?

- Option A: Provide no special salary protection other than that available to all.
- Would be consistent with general practice
 - Would not compensate managers for special risks.

- Option B: Include special, more liberal salary protection features.
- Would compensate for added risks.
 - Could give appearance of favoritism toward elite group.

COMPENSATION AND CLASSIFICATION

Issue 19

How should pay and classification structure be established for an executive service?

- Option A: A number of grade levels with pay for each set by the President.
- Would provide flexibility in the face of changing circumstances.
 - Could arouse Congressional concern re: linkages and limits on executive pay.

- Option B: A number of grade levels with pay for each set by Congress.
- Would enable Congress to retain control of executive pay.
 - Would limit flexibility and would entail considerable investment of Congressional time.

- Option C: A gradeless system with individual salaries set by management within a floor and a ceiling.
- Would provide maximum flexibility.
 - Could lead to inequities and inconsistencies in pay.

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- Option D: A graded system providing for rank in the job.
- Would retain present system characteristics embodying principle of equal pay for equal work.
 - Would limit flexibility of assignments and requires a system of position classification.
- Option E: A graded system providing for rank in the person.
- Would provide considerable flexibility.
 - Would be subject to opposition as elitist and does not necessarily equate pay with responsibilities.

Issue 20

If positions are graded, who should determine the grades? (Consider the possibility of different answers for GS-14 & 15, for supergrades, and for Executive Levels.)

- Option A: Have grades classified by agencies; no review.
- Would provide maximum agency flexibility and if GS-14's and 15's are included would probably be necessary as the number of positions involved would militate against central classification.
 - Would require legislation and Congress has previously expressed opposition to delegating this authority from the Commission to agencies at the supergrade level. Further, many Executive Level positions are essentially classified in authorizing legislation.
- Option B: Have grades classified by agencies subject to post-audit by the Civil Service Commission.
- Same as above with added protection of Commission post-audit to ensure consistency.
 - Same as above but should be more acceptable to Congressional interests.
- Option C: Have agencies recommend classification subject to approval by the Civil Service Commission.
- Same as above but Commission approval would negate subsequent reversals of agency decisions.
 - Would require additional time, and would restrict agency flexibility.
- Option D: Have classifications established by Congress.
- Would provide direct Congressional control of executive grade levels.
 - Would be cumbersome, time-consuming, and administratively unworkable if executive service contained wide range of grades.
 - Congressional staff could not be expected to have necessary expertise.

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Option E: Have grade classification recommended by the Civil Service Commission with approval by Congress.

- Would provide for Congressional control of executive grade levels.
- Would be too time-consuming for Congress unless additional Congressional staff capability is developed.

Option F: Have grades classified by an entity in the Executive Office of the President.

- Would provide opportunity for greater Presidential control of executive grade levels.
- Would be cumbersome, time-consuming, and require the establishment of an operational function within the Executive Office.

Issue 21

What should be the basis for setting and adjusting compensation in an executive service?

Background

- At present, compensation rates for GS-14 through GS-17 have a base level and additional rates, eligibility for which is essentially determined by time-in-grade. (In some cases an incremental rate is authorized because of superior performance.) For GS-18 and Executive Levels V through I only a base rate is authorized.

Option A: Set compensation based on position modified by seniority in grade.

- Would be most consistent with current systems.
- Has no incentive effect.

Option B: Set compensation based on position modified by performance.

- Provides strong incentive for excellence.
- Would require effort to keep incentive pay from being awarded routinely or, conversely, infrequently as an incentive award.

Option C: Set compensation based on personal rank or market (within floor and ceiling.)

- Would provide maximum flexibility in attracting and retaining capable managers.
- Could lead to inequities and would be difficult to administer.

MI SCCELLANEOUS

Issue 22

What performance evaluation system should be employed for an executive service?

- Option A: Have no formal performance evaluation.
- Would not require any new implementing procedures.
 - Would fail to provide one possibly meaningful device for documenting performance and helping determine need for retention or reassignment.
- Option B: Use existing agency performance evaluation systems.
- Would not require additional procedures.
 - Would not address unique characteristics of executive performance and management expectations for accountability.
- Option C: Adopt special annual performance evaluation system - agency designed to Commission standards.
- Would provide for maximum accuracy through tailored evaluations.
 - Could be difficult to implement, requiring considerable effort on the part of agencies and the Commission.
- Option D: Adopt uniform, government-wide performance evaluation for executive service.
- Would have the appearance of equity and consistency.
 - Would require extensive effort by the Commission, and agencies, with some lessening in accuracy from that afforded by tailored system.

Issue 23

Should current veteran preference rights be modified for an executive service?

Background

At present eligible veterans receive life-long preference in the open-competitive examining process. Those who enter the Federal service also have special tenure rights for the duration of their Federal careers. At this juncture, it would seem appropriate to defer a general discussion of veteran preference until other task forces have had an opportunity to consider the matter. We can, however, deal with the issue for executive positions.

- Option A: Continue present entitlements in all respects.
- Would arouse the least opposition.
 - Executives have little real need for preference.
 - Would inhibit flexibility.

- Option B: Variations in application, e.g., retention but not staffing, or vice versa.
 - Could be retained for processes with little impact on executives, while minimizing opposition to total modification.
 - Likely to arouse opposition.
- Option C: Eliminate veteran preference entirely for executive service.
 - Would maximize flexibility.
 - Would arouse strong opposition.
- Option D: Modify entitlement to veteran preference (e.g., limit entitlement to disabled; limit number of years of entitlement after leaving the military).
 - Would focus benefit where and when it is most needed.
 - Likely to arouse opposition.

Issue 24

What, if any, mobility requirements should be included in an executive service?

Background

Many observers have commented on the fact that Federal managers tend to change jobs rather unfrequently. Most supergrades, for instance, have worked in a single agency throughout their career and, of those who have served in more than one agency, the preponderance of the mobility occurred below GS-13. More is known about the frequency of job changes than about their effects. Mobility is generally advocated to provide:

- development and broadening
- renewed challenge
- fresh perspective
- disintegration of relationships detrimental to effective government.

- Option A: Have no special requirement that managers be mobile.
 - Some individuals would prefer not to have to take on new challenges.
 - Any desirable effects of mobility would be lost.

- Option B: Have mobility requirements, either inter or intra agency, for designated types of positions e.g., "generalists".
 - Could provide for selected types of managers mobility benefits.
 - Could provoke resistance by management and executives and could be difficult to administer.

- Option C: Have blanket mobility requirements.
 - Would be most consistent.
 - Could be disruptive in programs where continuity is essential.

Issue 25

If special requirements for job mobility were included, how should this mobility be effected?

Option A: It should be voluntary on the part of the employee with special incentives to encourage.

- Would be palatable to employees.
- The incentives would probably have to be very strong to have any effect.

Option B: It should be voluntary on the part of the employee, facilitated by such mechanisms as vacancy clearing houses and talent banks.

- Employees would probably like this.
- Experience indicates that facilitation alone will have little effect.

Option C: Inter-agency mobility should be mandatory, on a regular, systematic basis, with some centralized control.

- This would enable optimum use of personnel resources government wide.
- Agencies and individuals would likely regard this as unwarranted interference.
- A central mechanism might develop into a bureaucracy which could not be guaranteed to "know best" what is good for individuals and agencies.

Option D: Intra-agency mobility should be mandatory on a regular systematic basis.

- Most of the desirable effects of mobility would be obtainable.
- Agencies are apt to know their own needs best.
- The advantages from broader mobility would be lost.

Option E: Inter-agency mobility should be mandatory, but only when needs of Government require a particular move.

- Would permit an increase in mobility.
- Unless a central "broker" actively fostered such mobility, it seems unlikely that much of it would occur.

Option F: Intra-agency mobility should be mandatory, but only when needs of the agency require a particular move.

- This is the practice in many agencies today and employees have accepted it.
- It is unlikely to result in large increases in overall mobility.

Issue 26

Should "special" benefits be provided, because of higher risks and special demands of the jobs?

Background

At present, managers fall under essentially the same employee benefit provisions as do all other employees.

Option A: Have no special benefit provisions.

- Would avoid the appearance of "sweetening the pot" for high salaried employees.
- Would omit benefits possibly needed by executives due to nature of their work and not equally useful to other employees.

Option B: Have special benefit provisions.

- Could provide possibly necessary benefits unique to executives and would add to attractiveness of the executive service.
- Would represent departure from long-standing Federal practice of relatively uniform benefits.

Issue 27

Should executive development requirements be included in legislation for an executive service?

Background

The quality of executive development efforts has varied widely from agency to agency.

Option A: Have no executive development provisions.

- Would minimize change from present situation.
- Would leave executive development vulnerable to budget stringencies and leadership changes.

Option B: Have general requirements.

- Would provide for mandatory attention to executive development.
- Would still leave room for some agencies to have only minimally adequate executive development programs.

Option C: Have specific requirements.

- Would help insure uniformity government-wide.
- Would inhibit flexibility in designing programs to meet specific agency needs.

Issue 28

Assuming some executive development requirements were included, toward what objective should executive development be directed?

Option A: It should prepare people for entry into the executive service.

- A systematic, merit-based executive development program could be a powerful force in opening the executive ranks to groups who have had limited access to management positions.
- Thorough preparation of employees to undertake managerial responsibilities should result in better managers.
- Developing every employee equally would be very expensive.

Approved For Release 2004/03/23 : CIA-RDP80M00165001700110010-4
developing a selected group has been criticized as elitist.

- Option B: It should broaden or deepen individual skills for continuation in the same line of work.
- The majority of managerial positions in the government have an important professional or technical component.
 - It has been claimed that over-emphasis on technical competence has adversely affected the quality of management of Government programs.
- Option C: It should prepare individuals for new lines of work.
- There is little opportunity now for mid- and senior-level government employees to change their career orientation -- they are "locked" in.
 - There is no evidence that a significant number of employees would benefit from major changes in career direction.
- Option D: It should offer members of the service opportunities for self-renewal and for keeping their skills and knowledges current.
- The average supergrade today, for instance, spends 15 years at that level with no systematic provision for update.
 - Objections are sometimes raised on the ground that managers shouldn't be in their jobs to begin with unless they are fully competent.

Issue 29

Should an ethical code be included in legislation for an executive service?

- Option A: Have no ethics code in legislation.
- Would allow executive branch to formulate its own code or codes.
 - Could appear to be unresponsive to current public concerns.
- Option B: Include ethics requirement in legislation.
- Would demonstrate responsiveness to current public concerns and would ensure application uniform standards.
 - Could inhibit executive branch flexibility to establish its own codes.

SAMPLE MODELS
of
EXECUTIVE PERSONNEL SYSTEM

MODEL I

(Based largely on current proposals by the Federal Executive League)

Summary of Key Provisions

This model would cover all career supergrades in all executive branch agencies, as well as selected career GS-15's. It would set the size of the Service according to program needs. Both initial entry into the Service and movement within the Service would be approved by an independent board. Tenure in a given position would be indefinite, with removal for cause, for unsatisfactory performance, by reassignment and by abolishment of position. Individuals removed from a position would have guaranteed fall-back to a position in another service. Veteran preference would not apply in selection or retention.

The pay structure would be set by the President and would be adjustable annually with Congressional review. Positions would be classified by the agency and the pay of incumbents would be based on the position level modified by performance. A code of ethics would be included.

Discussion

This model would meet to a useful degree the following objectives of a total personnel system for managers:

1. It would eliminate the existing patch-work of authorities and exceptions.
2. It would provide a workable system for equating authorized supergrade strength and changing program needs.
3. It would provide adequate career security for employees.
4. It would improve the quality of leadership by providing incentives for excellence (by linking performance and compensation).
5. It would insure that senior positions are filled by exceptionally able individuals.
6. It would assure individual accountability for honest, impartial and economical administration.

It would also insure impartiality of the selection and assignment process, but would give agencies less say in selecting and assigning supergrades. Nor does it increase agency flexibility in removing supergrades. It does not attempt to foster job mobility, or to open up larger numbers of senior positions to career executives. It does not address any of the important issues involving non-career supergrade positions. Another important omission is in the area of providing systematic development of the managerial skills of employees so that segments of the population which have often been overlooked will be given full opportunity to assume top positions. Finally, it does not provide a benefit package designed to attract, reinforce, and retain capable senior employees.

(Based largely on current proposals by the Federal Executive League)

	Item on <u>Option Paper</u>
COVERAGE OF SYSTEM	
<u>Agency Coverage</u> All executive branch agencies	(1A)
<u>Individual Coverage</u> By grade level, supergrades principally	(2A, 3A)
POSITION MANAGEMENT	
<u>Control of Numbers</u> Number based on program need	(7B)
<u>Types of Positions</u> Career only	(8C)
APPOINTMENT AND PLACEMENT	
<u>Types of Appointment</u> Competitive only	(9C)
<u>Control of Numbers of Non-Competitive</u> Not applicable	(10)
<u>Career/Noncareer Ratio</u> Not applicable	(11)
<u>Initial Entry into Executive Service</u> Qualifications approval by independent board	(12C)
<u>Movement within EMS</u> Independent board approves candidate for supergrade position	(13B)
<u>Acquisition of Executive Service Status</u> Automatically on entering the Executive Service	(14B)
REMOVAL	
<u>Removal from Executive Service Position</u> For cause, for unsatisfactory performance, by reassignment, by abolishment of position	(15A)
<u>Appeals</u> Restrict appeal rights	(16C)

	Item on Option Paper
<u>Rights after Removal</u>	
Fall-back to non-Executive Service Position	(17A)
<u>Salary Protection</u>	
Existing provisions	(18A)
COMPENSATION AND CLASSIFICATION	
<u>Establishing Pay Structure</u>	
President sets number of levels and basic pay for level; adjustable annually with Congressional review. Rank in job.	(19A,D)
<u>Determining Position Grade</u>	
Agency classifies subject to CSC post-audit	(20B)
<u>Compensation</u>	
Pay based on position level modified by performance	(21B)
MISCELLANEOUS	
<u>Performance Evaluation</u>	
Special annual performance evaluation: agency designed, CSC standards, rating by agency board	(22C)
<u>Veterans Preference</u>	
Does not apply	(23C)
<u>Mobility</u>	
No special mobility requirement	(24A)
<u>Benefits</u>	
No special benefit provisions	(26A)
<u>Executive Development</u>	
No provision	(27A)
<u>Ethics</u>	
Ethics requirements	(29B)

MODEL II

(Based largely on suggestion submitted to the Task Force)

Summary of Key Provisions:

This model would cover all executive branch agencies with a few exceptions such as the CIA and Foreign Service. It would cover both professional and managerial employees, career and noncareer, at all levels from GS-6 through GS-18 (Thus, it essentially comes down on the side of no special Senior Executive Service.) Numbers would be set based on program need. Initial entry into the Federal Government would be by a merit-based "Pass" examination conducted by the CSC. Entry into the Service would be approved by an independent board. Veteran preference would not apply. A board would also approve qualifications of candidates for movement within the Service. Positions would be classified as career and noncareer and a career employee would relinquish his status on entering a noncareer position. Tenure in a given position would be under 3-year contract, with removal for cause, for unsatisfactory performance, by reassignment, by abolishment of position, and by failure to renew contract. There would be no guaranteed fallback to a lower-graded position; employee could elect discontinued service retirement.

The number of grade levels and the pay structure for each would be set by Congress. Pay would be based on personal rank; with advancement based on performance. Performance rating system would be uniform government-wide. Detailed developmental requirements and mobility requirements for generalist managers would be included. An ethics standard would be specified.

Discussion

The model meets to a useful degree the following objectives of a total personnel system for managers:

1. Simplifies the existing patchwork of authorities and exceptions.
2. Permits setting personnel strength at a level large enough for program needs.
3. Gives agencies some flexibility in terminating employees as needed to best accomplish their missions.
4. Fosters job mobility for development, renewal, and to weaken lateral loyalties.
5. Provides for a sufficient number of noncareer managers to ensure that new policies can be implemented.
6. Improves the quality of performance by providing compensation incentives for excellence.
7. Provides benefits that conform to special characteristics of managerial jobs.

8. Insures the high quality of individuals in managerial jobs.
9. Provides for systematic development of the skills of employees so that segments of the population which have often been over-looked will be given full opportunity to enter senior positions.

This model does not address the problems associated with noncareer positions. It also restricts agencies in filling managerial vacancies by resting qualifications approval in an independent board.

MODEL II

(Based largely on suggestion submitted to Task Force)

Item on
Option Paper

COVERAGE OF SYSTEM

Agency Coverage

All executive branch agencies and services except such agencies as CIA and such services as Foreign Service

(1B)

Individual Coverage

By nature of responsibility (professional and managerial) GS-6 thru GS-18

(2B, 3B)

POSITION MANAGEMENT

Control of Numbers

Set numbers based on program need

(7C)

Types of Positions

Career and noncareer

(8A)

APPOINTMENT AND PLACEMENT

Types of Appointment

Competitive and noncompetitive

(9A)

Control of Number of Noncompetitive

Set numbers based on program need

(10A)

Career/Noncareer Ratio

Increase noncareer saturation somewhat

(11B)

Initial Entry into Executive Service

Qualifications approval by independent board

(12B)

Movement within Executive Service

Qualifications of candidate approved by independent board

(13C)

Acquisition of Executive Service Status

No status

(14B)

REMOVAL

Removal from Executive Service Position

For cause, for unsatisfactory performance, by reassignment, by position abolishment, by failure to renew 3-year contract

(15A)

Appeals

Restrict appeal rights

Item on
Option Paper

Rights after Removal

Employee could elect discontinued service
retirement

(17C,D)

Salary Protection

Existing provisions

(18A)

COMPENSATION AND CLASSIFICATION

Establishing Pay Structure

Congress sets number of levels and basic
pay for each; rank in man

(19B,E)

Determining Position Grade

Not applicable

(20)

Compensation

Pay based on personal rank

(21C)

MISCELLANEOUS

Performance Evaluation

Uniform, government-wide performance
evaluation

(22B)

Veteran Preference

No preference

(23B)

Mobility

Special Intra-agency mobility requirements
for generalist managers, as needed

(24B,25F)

Benefits

Special benefit provisions

(26A)

Executive Development

Specific detailed executive development requirements
for management preparation; to increase professional
skills

(27C,28AB)

Ethics

Ethics requirements

(29A)

MODEL III

(Based on the most recent draft of the proposed Executive Managerial Service)

Summary of Key Provisions

This model would cover all executive branch agencies with a few exceptions, such as the CIA and Foreign Service. It would include only managers, career and noncareer, at all levels from GS-14 through Executive Levels, omitting heads of major agencies. Numbers would be set based on program need. No distinction would be made between policy and non-policy positions. Individuals could enter the Government directly into the EMS competitively or noncompetitively. For competitive entry, agency conducts the examination. Veteran preference would not apply. Competitive and noncompetitive employees already in the Government would retain their respective status on entering EMS. For initial entry into EMS, qualifications of GS-14 & 15 would be approved by the agency; of supergrades, by the CSC; and of Executive Levels, by the Senate. Subsequent movement within the EMS would be approved by agencies for GS 14 & 15 and supergrades, and by the Senate, for Executive Levels.

The number of noncompetitive employees in the Service would be set based on program need, with outside limit set as percent of number of managerial positions. The number of noncompetitive employees authorized could be somewhat increased over the present, while at the same time a ceiling would be established on the number of such positions, which does not now exist. Competitive and noncompetitive employees can be assigned inter-changeably with a few exceptions. Tenure in a given position would be indefinite, with removal for cause, for unsatisfactory performance, for consistent mediocre performance, by reassignment, and by abolishment of position. Noncompetitive appointees can be removed "at the pleasure." Competitive employees would be guaranteed fall-back to a non-EMS position if removed from EMS. (Eligible employees could be retired at agency option under some conditions). For certain "generalist" positions there would be a mandatory intra-agency job mobility requirement.

The number of pay levels and basic pay for each would be set by the President and would be adjustable annually with Congressional review. Pay would be set according to position level modified by performance, which would be evaluated by agency board for supergrades, by agency head for executive levels, and by board in EOP for heads of agencies. Special benefits would be provided related to the unique characteristics of managerial positions. General requirements for executive development and ethics provisions would be included.

Discussion

Because this proposal has had the benefit of much more staff preparation than other models, it addresses a greater number of the problem areas.

1. Simplifies the existing patchwork of authorities, exceptions, and levels.
2. Provides for equating authorized managerial strength with changing program needs.

3. Gives agencies flexibility to assign, transfer and terminate managerial employees, while providing adequate career security for employees.
4. Fosters job mobility
5. Alleviates the abrasive interface between career and noncareer executives.
6. Provides for continuity during changes of administration.
7. Makes it possible for career managers to aspire to positions of high responsibility.
8. Permits agency heads to appoint a sufficient number of noncareer managers to insure that policy initiatives can be taken.
9. Provides incentives for excellence, forging a strong link between performance and compensation/tenure.
10. Provides benefits designed to attract, reinforce and retain capable managers.
11. Insures the high quality of senior managers while giving agencies increased authority over qualifications of appointees.
12. Provides for systematic development so that segments of the population which have often been overlooked will be given full opportunity to enter management positions.
13. Establishes individual accountability for honest, economical and impartial administration.

The most controversial aspects of this model are:

Coverage: - Inclusion of GS 14 & 15 and Executive Level positions.

- Exclusion of non-managerial supergrades

Career/Noncareer

- Generally no distinction between career and noncareer positions.
- The possibility of some increase in proportion of noncompetitive supergrades.

Staffing: - Elimination of veteran preference.

- Qualifications approval by CSC of initial EMS entrants at supergrade level

MODEL III

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Position Tenure: - Removal of incumbent for consistent mediocre performance

- Retirement of eligible employees at agency option for performance reasons
- Mandatory job mobility for "generalist" supergrades.

Compensation: - Elimination of longevity pay and substitution of performance increments.

- Special benefits package.

This is not to say that other aspects of the design are not open to discussion. To elaborate on them in this model, however, would tend to focus attention on this model to the exclusion of alternative proposals which have been less fully developed.

MODEL III

(Based on the CSC proposal, The Executive Managerial Service)

Item on
Option Paper

COVERAGE OF SYSTEM

Agency Coverage

All executive branch agencies and services except such agencies as CIA and such services as Foreign Service.

(1B)

Individual Coverage

By nature of responsibility (i.e., managers only) GS-14 & 15, SG and Executive Levels except agency heads.

(2B,3D)

Definition of Manager

Responsible for an Organization

(4A)

POSITION MANAGEMENT

Control of Numbers

Set numbers based on program need (ZBB), by CSC (or OMB) with Congressional oversight

(7B)

Types of Positions

Basically no distinction between policy and non-policy.

(8B)

APPOINTMENT AND PLACEMENT

Types of Appointment

Competitive, noncompetitive, emergency.

(9A)

Control of Numbers of Non-Competitive

Control based on program need determined by CSC or OMB with Congressional oversight; outside limitation set as percent of number of managerial positions.

(10B,C)

Career/Noncareer Ratio

Increase non-career saturation somewhat.

(11B)

Initial Entry into Executive Service

Qualifications approval by agency for GS-14 & 15, by CSC for supergrades, by Senate for Executive Levels.

(12A,B,D)

Movement within Executive Service

Agency approves qualifications for GS-14 & 15 and SG. Senate approves for Executive Levels.

(13C)

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Item on
Option Paper

APPOINTMENT AND PLACEMENT (CONT.)

Acquisition of Executive Service Status

After 1-yr. EMS probation for competitive appointee, by competitive process for non-competitive and Emergency; for limited number of Ex Level appointees by conversion after period of successful service.

(14C)

REMOVAL

Removal from Executive Service Position

For cause, for unsatisfactory performance, for consistent mediocre performance, by reassignment, by abolishment of position and, for noncompetitive appointee, "at pleasure".

(15D)

Appeals

Restricted appeal rights

(16C)

Rights after Removal

Guaranteed fall-back to non-executive service position for competitive employee if removed for performance. Retirement at Agency option of eligible employee if 3 mediocre or 2 unsatisfactory evaluations; for noncompetitive, forced retirement "at pleasure". Employee could elect discontinued service retirement if eligible.

(17A,B,C)

Salary Protection

Liberalize

(18B)

COMPENSATION AND CLASSIFICATION

Establishing Pay Structure

President sets number of levels and basic pay for each; adjustable annually with Congressional review. Rank in job.

(19Z,D)

Determining Position Grade

Agency classifies GS-14 & 15 subject to post-audit; agency recommends SG, CSC approves; CSC recommends Executive Levels, Congress approves.

(20B,C,E)

Compensation

Pay based on position level modified by performance.

(21B)

Item on
Option Paper

MISCELLANEOUS

Performance Evaluation

Special annual performance evaluation, agency designed; rating by agency board for GS 14 & 15 & SG: by agency head for Executive Levels. (22C)

Veteran Preference

Does not apply. (23C)

Mobility

Generalist supergrade managers have mandatory intra-agency mobility requirement. (24B,25D)

Benefits

Special benefit provisions related to special characteristics of managerial positions (differing by level). (26B)

Executive Development

General requirements for executive development, for managerial preparation and renewal. (27B,28A,D)

Ethics

Ethics requirements. (28B)

MODEL IV

(Based largely on earlier CSC proposals)

Summary of Key Provisions

This model would cover all executive branch agencies and services with some exceptions such as CIA and Foreign Service. Both career and noncareer supergrades would be included. Total supergrade strength would be based on program need, as would the numbers of non-competitive positions authorized (Outside limit based on percent of number of supergrades); would retain existing career/noncareer ratio. Initial entry into the Service would be approved by independent board. Initial entry into the Government directly into supergrade could be competitive or non-competitive. (Competitive examining process by agency; reviewed by independent board). Veteran preference would not apply. Once in Service, could be placed in any position, with no qualifications requirement. Competitive employee entering noncareer position would retain career status. Tenure in position would be by 3-year renewable contract. Removal from a position would be for cause, for unsatisfactory performance, by reassignment, by abolishment of position, and by failure to renew contract. Fall-back to a GS-15 position guaranteed to competitive employee if contract not renewed. (Eligible employee could be retired if contract not renewed.)

There would be no grade levels within the Service. Congress would establish floor and ceiling pay levels and individual pay would be set by agreement according to "market" within floor and ceiling.

Discussion

This model contributes to the following objectives:

1. Simplifies the existing patchwork of authorities and exceptions.
2. Provides for equating authorized managerial strength with changing program needs.
3. Gives agencies sufficient flexibility to assign, transfer and terminate managerial employees to best accomplish their missions, while at the same time providing adequate career security for employees.
4. Facilitates job mobility.
5. Makes it possible for career managers to aspire to positions of high responsibility.
6. Permits the appointment of noncareer executives to promote policy initiatives.
7. Insures that senior managerial positions are filled by exceptionally able individuals, at the same time giving agency management increased authority over the qualifications of many appointees.

It would also insure impartiality of the selection process, but would give agencies less say in selecting supergrades for initial entry into the Service. It does not address several of the important issues involving non-career supergrade positions, including the abrasive career/noncareer interface and provision for continuity during changes of administration. Nor does it address improving quality of management by linking performance with tenure/compensation. It does not include a benefit package designed to attract, reinforce, and retain capable senior employees. Another important omission is in the area of providing systematic development of employees so that segments of the population which have often been overlooked will be given full opportunity to enter senior positions. Finally it does not speak to the issue of individual accountability for honest, economical and impartial administration.

MODEL IV

(Based largely on earlier Civil Service Commission proposals)

Item on
Option Paper

COVERAGE OF SYSTEM

Agency Coverage

All executive branch agencies and services except such agencies as CIA and such services as Foreign Service.

(1B)

Individual Coverage

Supergrade only.

(2A, 3A)

POSITION MANAGEMENT

Control of Numbers

Set numbers based on program need (ZBB) by CSC with Congressional oversight.

(7B)

Types of Positions

Career, noncareer (policy), limited (short-term).

(8A)

APPOINTMENT AND PLACEMENT

Types of Appointment

Competitive, non-competitive, temporary.

(9A)

Control of Numbers of Non-competitive

Control based on program need determined by CSC with Congressional oversight with outside limit based on percentage of number of supergrades.

(10B,C)

Career/Noncareer Ratio

Retain existing career/noncareer ratio.

(11A)

Initial Entry into Executive Service

Qualifications approval of competitive employee by independent board; for non-competitive and temporary employee by CSC.

(12C,A)

Movement within Executive Service

No qualifications requirement.

(13A)

Acquisition of Executive Service Status

For competitive appointee automatically on entering executive service; for non-competitive or temporary employee by competitive process.

(14B)

Item on
Option Paper

REMOVAL

Removal from Executive Service Position

For cause, for unsatisfactory performance,
by reassignment, by abolishment of position,
by failure to renew 3-year contract; for non-
competitive appointee, also "at pleasure".

(15B)

Appeals

Restricted appeal rights

(16C)

Rights after Removal

Fall-back to non-executive service position guaran-
teed to competitive employee if contract not renewed.
Eligible employee may be retired if contract not
renewed.

(17A,B)

Salary Protection

Existing provisions

18A)

COMPENSATION AND CLASSIFICATION

Establishing Pay Structure

Congress sets floor and ceiling. No grade levels.

(19C)

Determining Position Grade

Not applicable.

(20)

Compensation

Pay set by "market" - individually by
agreement within floor and ceiling.

(21C)

MISCELLANEOUS

Performance Evaluation

Performance evaluation by superior implicit
in process of renewal of 3-year contract.

(22B)

Veteran Preference

Does not apply.

(23C)

Mobility

No special mobility requirement.

(24A)

Benefits

No special benefit provisions.

(26A)

Executive Development

No provision.

(27A)

Ethics

No ethics code.

MODEL V

(Based largely on California's Career Executive Assignment Program)

Summary of Key Provisions

This model would cover all executive branch agencies and services. Only career supergrades in policy influencing positions would be included. Those who apply for inclusion would be subject to a merit-based competition, after which their qualifications would have to be approved by the CSC. Veteran preference would not apply. Only current employees would be eligible -- no entry from outside. Agencies would approve qualifications for members of the Service who change jobs. No tenure in the Service; removal at the pleasure of the appointing authority with guaranteed fall-back to previous position. Congress would set number of levels and basic pay for each. Pay would be based on position level modified by performance. General requirements for executive development would be included.

Discussion

This model would meet to a useful degree the following objectives of a total personnel system for managers:

1. It would eliminate the existing patch-work of authorities and exceptions.
2. It would give agencies sufficient flexibility to assign, transfer and terminate managerial employees, while providing adequate career security for employees.
3. It would facilitate job mobility.
4. It would improve the quality of management by providing incentives for excellence (forging a link between performance and compensation).
5. It would provide that senior managerial positions be filled by exceptionally able individuals, at the same time giving agencies increased authority over the qualifications of some appointees.
6. It would provide for systematic development of the managerial skills of employees so that segments of the population which have often been overlooked will be given full opportunity to enter management positions.

On the other hand, this model fails to address the problem of setting managerial strength. (Indeed, it is not a comprehensive managerial personnel program, but a special program for a portion of the supergrade work force.) Nor does it deal with any of the important issues involving non-career supergrade positions. It does not include a special benefits package designed to attract, reinforce, and retain highly capable managers. Finally, it does not speak to the ethics issue.

(Based largely on California's Career Executive Assignment Program)

Item on
Option Paper

COVERAGE OF SYSTEM

Agency Coverage

All executive branch agencies and
services.

(1A)

Individual Coverage

By nature of responsibility (policy
influencing positions) supergrade only.

(2B, 3A/E, 4ABC)

POSITION MANAGEMENT

Control of Numbers

No control.

(7C)

Types of Positions

Career only.

(8C)

APPOINTMENT AND PLACEMENT

Types of Appointment

Only competitive.

(9C)

Control of Number of Non-competitive

Not applicable.

(10)

Career/Noncareer Ratio

Not applicable.

(11)

Initial Entry into Executive Service

Qualifications approval by CSC after
merit based competition.

(12A)

Movement within Executive Service

Agency approves candidate.

(13C)

Acquisition of Executive Service Status

No status in executive service.

(14A)

REMOVAL

Removal from Executive Service Position

At pleasure of appointing authority; no appeal.

(15C, 16A)

Rights after Removal

Guaranteed fall-back to previous position.

(17A)

Item on
Option Paper

Salary Protection
Existing Provisions

(18A)

COMPENSATION AND CLASSIFICATION

Establishing Pay Structure
Congress sets number of levels and basic
pay for each. Rank in job.

(19B,D)

Determining Position Grade
Agency classifies; no review.

(20A)

Compensation
Pay based on position level modified by
performance.

(21B)

MISCELLANEOUS

Performance Evaluation
Special annual performance evaluation
rating by superior.

(22C)

Veteran Preference
Does not apply.

(23C)

Mobility
No special mobility requirement.

(24A)

Benefits
No special benefit provisions.

(26A)

Executive Development
General requirements for executive
development to prepare for exec. dev.

(27B,28A)

Ethics
No ethics code.

(29A)

MODEL VI

(Based on suggestions from agency personnel specialists familiar with the executive personnel program)

Summary of Key Provisions

This model would cover all executive branch agencies. It would include only managers at the supergrade and executive levels, except heads of major agencies. Numbers would be set based on program need and authorized by Congress as part of agency budget process. No distinction would be made between policy and non-policy positions. Members of the Executive Service would have no status in the Service, but those with previous competitive status would retain it. For initial entry into the Executive Service, qualifications would be approved by independent board (with confirmation by the Senate also required for most Executive Levels). Subsequent movement within the Service would be approved by agencies for supergrades and by the Senate, for Executive Levels. Since there is no Executive Service status, competitive and non-competitive employees can be assigned interchangeably. They must meet qualifications requirements of positions/ qualifications approval by the agency. The number of noncompetitive employees in the Service would be set based on program need with outside limit set as a percent of number of managerial positions. The number of non-competitive employees would be reduced slightly over the present.

Tenure in a given position would be indefinite, with removal "at pleasure" of appointing authority or for cause. Competitive employees would be guaranteed fall-back to a suitable non-executive service position unless removed for cause. No fall-back would be provided for others. (Eligible employees could be retired at agency option under some conditions and any employee with 15 years of service or more could elect discontinued service retirement unless removed for cause.) Veteran preference would not apply.

The numbers of pay levels and basic pay for each would be set by the President and would be adjustable annually with Congressional review. Pay would be set according to position level modified by performance. Performance would be evaluated by a special annual rating for the Executive Service, uniform government-wide, with rating by agency board for supergrades, by agency head for Executive Levels, and by board in EOP for heads of agencies. Special benefits would be provided related to the unique characteristics of managerial positions. General requirements for executive development and ethics provisions would be included.

Discussion

This model addresses all or almost all of the problem areas. It differs from the equally comprehensive EMS proposal in the following respects:

- agency coverage is broader in this model
- it would not include GS 14 & 15 managers

MODEL VI



- executive strength would be authorized by the Congress in the budget process
- members of the Executive Service would have no status in the Service and there would hence be no competitive entry into the government at these levels
- for initial entry into the Service, qualifications would be approved by an independent board
- both career and noncareer incumbents can be removed at the pleasure of the appointing authority
- the number of noncompetitive employees would be reduced slightly rather than increased slightly
- provision is made to permit discontinued service retirement after 15 years of service
- performance evaluation procedures would be uniform government-wide rather than agency tailored.

It would be expected that, generally, this model compared to the EMS model would be somewhat more attractive to agencies and less attractive to employees.

(Based on suggestions from agency personnel specialists familiar with the executive personnel program)

Item on
Option Paper

COVERAGE OF SYSTEM

Agency Coverage

All executive branch agencies and services. (1A)

Individual Coverage

By nature of responsibility (managers only); supergrades and executive levels except agency heads. (2B,3C)

Definition of Manager

Responsible for an organization (4A)

POSITION MANAGEMENT

Control of Numbers

Set numbers based on program need (ZBB); authorized as part of agency budget process. (7B)

Types of Positions

No distinction between policy and nonpolicy. (8B)

APPOINTMENT AND PLACEMENT

Types of Appointments

Noncompetitive only but employees already having status would retain. (9B)

Control of Numbers of Non-Competitive

Set based on program need; limit set as percent of managerial positions. (10B,C)

Career/Noncareer Ratio

Noncareer proportion reduced slightly over present. (11C)

Initial Entry into Executive Service

Qualifications approved by independent board. (12C)

Movement within Executive Service

Agency approves supergrades; Senate approves executive levels (13C,B)

Acquisition of Executive Service Status

No status in executive service (14A)

REMOVAL

Removal from Executive Service Position

At pleasure of appointing authority (15A, 16A)

Item on
Option Paper

REMOVAL (CONT.)

Rights after Removal

Guaranteed fall-back to non-executive service position for status employee; no fall-back for others. Eligible employees could be retired at agency option; employee could elect discontinued service retirement with 15 years or more service.

(17A,B,C)

Salary Protection

Existing provisions

(18A)

COMPENSATION AND CLASSIFICATION

Establishing Pay Structure

President sets number of levels and basic pay for level, adjustable annually with Congressional review. Rank in position.

(19A,D)

Determining Position Grade

Agency classifies subject to CSC post-audit. For executive levels, EOP recommends with CSC advice; Congress approves.

(20B,E/F)

Compensation

Pay based on position level modified by performance.

(21B)

MISCELLANEOUS

Performance Evaluation

Special annual performance evaluation for executive service, uniform government-wide. Rating by agency board (for executive levels, by agency head). For agency heads, annual performance evaluation by board in EOP (e.g., Vice-President, Director of OMB, Chairman of CSC)

(22D)

Veteran Preference

Does not apply.

(23C)

Mobility

No special mobility requirement

(24A)

Benefits

Special benefits related to special characteristics of managerial positions

(26B)

Executive Development

General requirements for managerial preparation

(27B 28A)

Ethics

Include ethics standards

Approved For Release 2004/03/23 : CIA-RDP80M00165A001700110010-4 (29B)

Matrix of Options and Models

Issues and Options	Model					
	I	II	III	IV	V	VI
A. Coverage of System						
1. Agency Coverage						
a. Complete	X				X	X
b. all except e.g., CIA, TVA, Foreign Service		X	X	X		
2. Individual Coverage						
a. by grade level	X			X	X	
b. by responsibility		X	X			X
3. Individual Coverage						
a. SG	X			X	X	
b. SG, GS 14 & 15		X				X
c. SG, EL (I-V)						
d. SG, EL, GS 14 & 15			X			
e. Voluntary					X	
4. Definition of "managerial"	-	-		-		
a. responsible for an organization			X		X	X
b. others in mgt. field					X	
c. special assistants to managers					X	
5. Include special assistants	-	-		-	-	-
a. yes						
b. no special schedule			X			
6. Compensation of special assistants	-	-		-	-	-
a. position level						
b. set individually by "market"			X			
B. Position Management						
7. Control of Numbers						
a. status quo						
b. based on need	X	X	X	X*		X*
c. no control					X	

* Modified

Issues and Options (cont)	Model					
	I	II	III	IV	V	VI
8. Types of Position						
a. career/noncareer distinction		X		X		
b. no distinction			X			X
c. career only	X				X	
d. noncareer						
C. Appointment & Placement						
9. Types of appointments						
a. competitive/noncompetitive		X	X	X*		
b. noncompetitive only						X
c. competitive only	X				X	
10. Control of numbers of noncompetitive	-				-	
a. no control						
b. based on relationship to total service			X	X		X
c. based on program need		X	X	X		X
11. Career/noncareer ratio	-				-	
a. status quo				X		
b. increase noncareer		X	X			X
c. decrease noncareer						
12. Initial service entry approved by						
a. CSC			X	X	X	
b. agency			X			
c. independent board	X	X		X		X
d. Senate			X			
13. Movement in service						
a. no qualification requirement				X		
b. approval by CSC, Indep. board, or Senate	X	X				X
c. approval by agency			X		X	X

* Modified

Issues and Options (cont)

	<u>Model</u>					
	I	II	III	IV	V	VI
14. Acquisition of executive status						
a. no status		X			X	X
b. acquired immediately	X			X		
c. after 1 year probation			X			
15. Removal from position						
a. status quo	X					
b. 3-year contracts		X		X		
c. at pleasure of agency heads					X	X
d. based on performance			X			
e. limited removal authority 1st year of Presidential term						
16. Appeals						
a. no appeals					X	X
b. status quo						
c. restrict appeal rights	X	X	X	X		
17. Rights after removal						
a. guaranteed suitable job in other service	X		X	X	X	X
b. retirement at agency option			X	X		X
c. discontinued service retirement		X	X			X*
d. fall-back at agency option		X				
18. Salary protection						
a. status quo	X	X		X	X	X
b. liberalize			X			
D. Compensation and Classification						
19. Pay structure						
a. set by President	X		X			X
b. set by Congress		X			X	
c. no grades; only floor & ceiling				X		
d. rank-in-job	X		X		X	X
e. rank in person		X				

* Modified

Issues and Options (cont)	Model					
	I	II	III	IV	V	VI
20. Determining position grade		-				
a. by agencies, no review					X	
b. by agencies, CSC post-audit	X		X			X
c. CSC pre-audit			X			
d. by Congress						
e. by CSC with Congress approval			X			X
f. by Executive Office of the President						X
21. Compensation						
a. status quo						
b. by position and performance	X		X		X	X
c. by personal rank or market		X		X		
E. Miscellaneous						
22. Performance Evaluation						
a. none						
b. status quo				X		
c. special system by agency	X		X		X	
d. government-wide system		X				X
23. Veteran Preference						
a. applies						
b. applies in part						
c. does not apply	X	X	X	X	X	X
d. modified entitlement						
24. Mobility Requirement						
a. none	X			X	X	X
b. for "generalist" managers		X	X			
c. for all managers						

Issues and Options (cont)	Model					
	I	II	III	IV	V	VI
25. Mobility - Voluntary/Mandatory	-			-	-	-
a. Voluntary-with incentives						
b. Voluntary-facilitated						
c. mandatory interagency-systematic						
d. mandatory intraagency-systematic			X			
e. mandatory interagency-as needed						
f. mandatory intraagency-as needed		X				
26. Special Benefits						
a. none	X			X	X	
b. establish some		X	X			X
27. Executive development						
a. none	X			X		
b. general requirements			X		X	X
c. specific requirements		X				
28. Executive development objectives	-			-		
a. preparation for exec. service		X	X		X	X
b. increase professional skills		X				
c. prepare for new line of work						
d. self-renewal & update			X			
29. Ethics code						
a. none in legislation	X			X	X	
b. include in legislation		X	X			X